

FISCAL NOTE

SJR 346

May 13, 1999

SUMMARY OF BILL: Proposes to amend Article XI, Section 5 of the Tennessee Constitution relative to lotteries. Requires that the foregoing amendment be referred to the 102nd General Assembly and published by the Secretary of State in accordance with Article XI, Section 3 of the Constitution of Tennessee. Provides for the net proceeds of the lottery to be allocated to tuition grants, scholarships, or loans to citizens of this state to enable such citizens to attend public and private colleges and universities located within this state. The excess after such allocations from such net proceeds from the lottery would be appropriated to:

1. Capital outlay projects for K-12 educational facilities; and
2. Early learning programs and after school programs.

A state lottery means a lottery of the type such as is in operation in Georgia, Kentucky and Virginia in 1999, and does not authorize games of chance associated with casinos, including, but not limited to, slot machines, roulette wheels, and the like.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$20,000 One-Time

Assumes a cost of \$20,000 to the Secretary of State to print notice of the proposed amendment in certain newspapers as required by this resolution.

For information purposes, the following should be noted:

1. This amendment, if adopted, will be referred to the 102nd General Assembly and require action by that body before the issue of a lottery can be submitted to the people for a vote.
2. Adoption of a lottery is estimated to generate a net increase in state revenues in excess of \$200,000,000. This estimate was made using per capita gross proceeds of surrounding states that have lotteries. Estimate assumes approximately 15% of gross proceeds will go for administration; 45% for prizes with the remaining 40% retained by the state. Percentages reflect prevailing rates experienced by states having lotteries.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

SJR 346